

## LNF & IHCIF Calculations Illustration **- FT TOTTEN in Aberdeen area -**

### Given Data

- 4,973 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 38% = % Expenditures on purchased services, 62% = % expenditures in-house
- 93.0% = Cost index for purchasing health care in this geographic area
- 112.7% = Size cost index for in-house costs due to small or large size
- 108.7% = Aberdeen area cost index for health status above or below average

### Cost Adjustment Calculations

- \$1,045 per person for purchased services =  $38\% \times 93.0\% \times \$2,980$
- \$2,091 per person for in-house services =  $62\% \times 112.7\% \times \$2,980$
- \$3,137 per person total = \$1,045 (purchase) + \$2,091 (in-house)
- **\$3,410 per person total** adjusted for health status =  $\$3,137 \times 108.7\%$
- **\$2,665 per person net cost** =  $\$3,410 - \$745$  Other resources (M&M&PI)

### Existing Expenditures (for 4,973 users excluding wrap-around and collections)

- \$1,065 per person = local IHS allowance (excludes \$ for wrap-around)
- \$203 per person = expenditures elsewhere in Aberdeen area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,323 per person for OU users** =  $\$1,065 + \$203 + \$54$

### LNF Calculation

- **38.8% Gross LNF** =  $\$1,323$  (expenditures) /  $\$3,410$  total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **49.6% Net LNF** =  $\$1,323 / \$2,665$  net cost ( $\$3,410 - \$745$  other)

### IHCIF Allocation

- $\$1,375,724$  = \$ to raise LNF% from 49.6% to 60%
- $\$258,040,100$  = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction =  $\$9,000,000$  fund /  $\$258,040,100$  needed
- **\$47,985 Allocation** =  $\$1,375,724$  needed for 60% \* 3.488% IHCIF fraction

### FT TOTTEN Unmet Needs

- **\$13,255,001 Net Total Need** = 4,973 users \* \$2,665 net cost
- **\$6,677,725 Net Unmet Need** =  $(100\% - 49.6\% \text{ LNF}) \times 4,973 \text{ users} \times \$2,665 \text{ net cost}$